

The Local Share(s) Disparity for District, Charter and State Schools

The Law:

By law, “the local share of education funding” for each city and town in Rhode Island “shall be the local per-pupil cost calculated by dividing the local appropriation to education from property taxes, net of debt service and capital projects...by the average daily membership¹ for each city and town, pursuant to § 16-7-22, for the reference year.²” (RIGL § 16-72.-5)

The Current Practice:

As noted in Issue Brief #8, in addition to debt services and capital projects, RIDE *also* nets out the total local funding that flowed from each city/town to charter and state schools in the applicable reference year *before* calculating the local share that will follow students to charter and state schools in the coming year.

The Result:

This results in *two different local shares*; one smaller local share that follows each city/town resident who attends a charter or state public school, and a larger local share that follows each resident of that city/town who attends one of its district public schools.

Example:

In FY 16 South Kingstown’s local appropriation for education in the applicable reference year, net of debt service and capital project costs, was \$49,417,594, and its average daily membership was 3,457.

According to the statutory formula, *South Kingstown’s local share should be \$14,217.*

However, in FY 16, the local share that follows South Kingstown residents to charter and state public schools is only \$13,858 per pupil.

As a result, in FY 16, roughly *\$359 per pupil* of the local share of education funding that is meant to follow South Kingstown residents to charter and state public schools will be diverted to the district.

Cumulative Projected Impact:

- On average, the netting out of local funding of public schools of choice in the reference year decreased the local share funding that charter and state schools will receive in FY 16 by *\$361 per pupil in FY 16.*
- Projections show the impact of this practice will *increase by 17% in FY 17 (to \$420 per pupil)*, and by another *20% in FY 18 (to \$506 per pupil).*³
- A fair comparative analysis of the local share of education funding must recognize that, although by law there is only one per pupil cost, in practice, there are currently two local per pupil shares – one that follows students to district schools, and another that follows students to charter and state schools.

¹ The Average Daily Membership pursuant to § 16-7-22 is, functionally, the resident average daily membership. This is the number of public elementary and secondary school students (regardless of which type of public school they might attend) that reside in a particular city or town in a particular year. This number does not include residents who attend private schools.

² The reference year for purposes of this statute is two years prior to the year for which the local share is being calculated. See the example above – for purposes of FY 16 calculations, the 2013-14 school year was the applicable reference year.

³ These increases are primarily driven by variables in the applicable reference years, such as the phase-in of the full local share for charter and state school students and changes in the number of city/town residents attending public schools of choice.